

BUDGET 2006

*Ministry of
Transportation*

2006/07 – 2008/09 SERVICE PLAN



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Message from the Minister and Accountability Statement

Over the next three years, the provincial government is investing over \$2 billion to improve transportation throughout the province. It is the largest program of transportation improvements that British Columbia has ever seen.

One of our key challenges is to invest in the infrastructure we need to handle the tremendous growth in Asia-Pacific trade. Our geographic location is a natural advantage as the Pacific Gateway to North America but we need a strong transportation system to carry the growing traffic to and from our ports.

The provincial Gateway Program will invest in roads and bridges linking various ports, railways, airports and passenger transit points in the Lower Mainland. Gateway Program infrastructure will ease the bottlenecks in our overburdened transportation system and complement regional road and transit improvements already planned or underway.

We are also guided by the need to improve safety and reliability for travelers throughout British Columbia to support our communities' resource industries and tourism. Under our three-year transportation plan, we continue to make transportation investments that make a difference.

The Premier's Five Great Goals for a Golden Decade include creating more jobs per capita than anywhere else in Canada. Projects such as the new William R. Bennett Bridge in Kelowna, the Trans-Canada Highway - Kicking Horse Canyon improvements and the Sea-to-Sky Highway upgrades are supporting this goal by providing the infrastructure we need for a growing economy.

The pathways to success are our roads, rails, ferries, bridges, ports and airports; this service plan is our updated map.

The Ministry of Transportation 2006/07 - 2008/09 Service Plan was prepared under my direction in accordance with the *Budget Transparency and Accountability Act*. I am accountable for the basis on which the plan has been prepared. All material fiscal assumptions and policy decisions as of February 8, 2006, have been considered in preparing the plan and I am accountable for achieving the specific objectives in the plan.

A handwritten signature in black ink, appearing to read 'Kevin Falcon'.

Honourable Kevin Falcon
Minister of Transportation

February 8, 2006

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Ministry Overview

Purpose of the Ministry

The Ministry of Transportation plans transportation networks, provides transportation services, develops and implements transportation policies, and administers many transportation-related acts and regulations.

To accomplish its mandate, the ministry:

- Develops provincial transportation plans to integrate various modes of transportation, in consultation with Regional Transportation Advisory Committees and in cooperation with the transportation-related Crown corporations;
- Ensures British Columbia's ports and airports are gateways for economic growth and development;
- Builds highways to fulfill the economic and social needs of British Columbians;
- Maintains existing highways to a high standard through contracts with private sector road maintenance providers;
- Undertakes vehicle safety inspections and sets commercial vehicle operating standards;
- Works with partners and other levels of government to provide cost-effective public transit and coastal ferry services;
- Manages contracts for inland ferry operations; and
- Licenses and regulates commercial passenger transportation.

Legislation governing the ministry's activities can be found on the ministry website at: http://www.th.gov.bc.ca/key_initiatives/legislation/statutes.htm.

Vision, Mission and Values

Vision

The ministry's vision is a fully integrated transportation system that advances economic and social growth, and moves goods and people within British Columbia and to markets beyond.

Mission

The ministry's mission is to:

- Create an integrated and safe transportation network that incorporates all modes of transport, reflects regional priorities and provides a strong foundation for economic growth; and

- Maintain and improve the provincial highway system, ensuring the safe and efficient movement of people and goods provincially, nationally and internationally.

Values

- We respect regional and community goals and priorities;
- We are responsive to the needs of British Columbia business;
- We strive for excellence and innovation; and
- We respect the people we serve and work with.

Strategic Context

Planning and Strategic Issues

The ministry works to support the provincial government's Five Great Goals for a Golden Decade and is strongly linked to the Great Goal of creating more jobs per capita than anywhere else in Canada.

British Columbia's transportation system is a catalyst for economic growth and prosperity, but the system's future depends upon continuous improvement and careful planning. The pressures and anticipated trends, opportunities and risks facing the ministry as it helps to create jobs are outlined below.

The ministry has an effective risk management process in place, through which risks that are likely to have a significant impact on costs or the ministry's ability to meet its goals and objectives are identified and mitigated as appropriate.

Pressures and Anticipated Trends

Growth

- Demand for transportation will increase as a result of economic development and population growth.
- Increased transportation will result in environmental impacts which will need to be managed.
- Urban growth will place further pressure on transportation infrastructure leading to the need:
 - to mitigate demand through improvements to provincial and municipal road networks;
 - to protect existing networks; and
 - to manage travel demand.

Trade

- Expansion of British Columbia gateways for growing trade between Asia and North America will require major investments in transportation infrastructure;
- The provincial government's Ports Strategy has set a goal of expanding British Columbia's share of container traffic from 9 to 17 per cent by the year 2020, thereby creating 32,000 jobs in the province and increasing the provincial gross domestic product by \$2.2 billion;
- Other Pacific gateways in the United States will continue to upgrade their port and inland facilities to take advantage of the enormous trade potential with Asia; and

- British Columbia's resource industries will continue to rely on cost-effective transportation to compete in world markets, requiring an integrated multimodal transportation system that links resources to processing facilities and products to markets.

Access

- Key transportation infrastructure for the 2010 Olympic and Paralympic Winter Games must be delivered on time to help showcase British Columbia and meet the needs of the Games;
- Improved access to British Columbia's heartlands and the safe transportation of goods and people through challenging topography will continue to be needed to support the province's economy; and
- Road transport will remain the preferred alternative for personal and work trips over short and medium distances, although expanding transit options will provide urban commuters with viable alternatives.

Investment

- Partnerships with local governments, the federal government and the private sector will play an important role in the timely provision of transportation infrastructure to relieve congestion and address safety concerns;
- Aging transportation infrastructure will generate the need for continued investment to keep British Columbia competitive; and
- Effective transportation policy and smart regulations will become increasingly important to encourage investment.

Opportunities

Growth, Trade and Investment

- Upgrading transportation infrastructure will position British Columbia to take advantage of the enormous trade potential with Asia and other major trading partners; and
- Transportation projects in the Lower Mainland will play a key role in improving Greater Vancouver as a livable region, while addressing challenges arising from expanding trade and increasing population. These projects include the ministry's Gateway Program, new rapid transit lines, and work with the Greater Vancouver Transportation Authority (TransLink).

Cooperation

- Continued cooperation with local governments, the federal government, other western provinces and territories, First Nations, and industry will provide a strategic synergy which supports industry growth, reinvestment and innovation; and
- Continued pursuit of a policy framework that promotes investment from non-government partners will facilitate the province's timely delivery of a safe transportation system.

Risks

Costs

- Wide variations in fuel and oil prices due to world events affect the cost of oil-based products used by the ministry such as asphalt, and are increasing costs for the delivery and maintenance of transportation infrastructure;
- Increasing costs of construction materials such as steel and concrete will also place pressure on limited ministry resources; and
- Increasing demand for motor fuel and limited refining capacity will continue to put upward pressure on price, shifting consumer preferences to more fuel efficient means of transportation with negative impacts on fuel tax revenue, which is dedicated for funding highway improvements and rehabilitation.

Security

- Security concerns or trade protectionism may disrupt cross-border trade in spite of infrastructure improvements; and
- Weather and natural occurrences such as slides, floods, avalanches, earthquakes and fire are highly unpredictable and could result in major events that affect the transportation system.



Explosives Helicopter Avalanche Control Mission — Sliding Mountain, Wells, BC

Economy

- Economic growth in the Asia-Pacific may cool, reducing international trade and the growth in the flow of goods moving through British Columbia;
- Labour issues could impact the flow of goods and services through British Columbia gateways in the short term and have the potential to shift established trade routes through British Columbia to other jurisdictions over the longer term; and
- Potential labour shortages in key occupations may affect infrastructure improvements by raising costs or delaying completion.

Core Business Areas

Ministry responsibilities fall into five core business areas:

1. Transportation Improvements

Managing and improving the province's transportation network requires careful planning, monitoring and direction, looking decades into the future. The ministry ensures that the most pressing transportation needs in British Columbia are addressed first, so that the public's investment in transportation can bring as many benefits as possible. The minister relies on the advice of eight independent Regional Transportation Advisory Committees across the province to identify and prioritize transportation projects.

The ministry's work in this core business area includes:

- Transportation Policy and Legislation;
- Planning, Engineering and Construction;
- Partnerships; and
- Port and Airport Development.

2. Public Transportation

The provincial government provides support to public transit and coastal ferry services across the province. These services are vital to the economic and social health of many communities.

BC Transit is supported by annual transfers of capital and/or operating funding. This funding also supports transportation services for the disabled.

Public transit in Greater Vancouver is funded through dedicated tax revenues provided to TransLink (Greater Vancouver Transportation Authority), which is responsible for public transit in the region. Provincial funding is also committed to three new rapid transit lines in Greater Vancouver: the Canada Line connecting Richmond, the Airport and downtown Vancouver; the proposed northeast rapid transit extension; and the SkyTrain Millennium Line.

The Province pays performance-based service fees to British Columbia Ferry Services Inc. for the delivery of coastal ferry services. Many island and coastal communities rely on these connections to the rest of the province.

3. Highway Operations

Highway Operations keeps British Columbia's highway network safe, reliable and in good repair in some of Canada's most challenging terrain.

Highway Operations is the ministry's front line — regional and district staffs provide customer service by working directly with the public, local governments, First Nations and ministry contractors.

The ministry's work in this core business area includes:

- Maintenance, Asset Preservation and Traffic Operations;
- Commercial Vehicle Safety and Enforcement;
- Inland Ferries; and
- Coquihalla Toll Administration.

The ministry's highway operations are divided into three regions: South Coast, Southern Interior and Northern. Each region is subdivided into districts and maintenance areas for more efficient administration. Highway maintenance is carried out by private sector contractors in 28 contract areas across the province. Ministry employees manage the maintenance contracts and work closely with the maintenance contractors to ensure they meet ministry standards. Timely rehabilitation prevents more costly repairs in the future. Highway Operations determines where investment would do the most good, resurfaces roads and bridges, replaces bridges at the end of their service lives, and performs other work to extend the life of the transportation network.

The ministry establishes and maintains effective and safe vehicle operating and equipment standards, and monitors application of these standards through the following programs: Vehicle Inspections, Dangerous Goods, National Safety Code, Commercial Transport and Commercial Vehicle Safety Alliance.

Freshwater ferries are a crucial part of daily life for many communities. The ministry provides access to inland ferries through contracted services on 14 freshwater routes.

4. Passenger Transportation Regulation

The ministry regulates the passenger transportation industry to ensure adequate access to commercial public transportation (excluding public transit), public safety and a healthy economy.

This business area encompasses two operational units:

- Passenger Transportation Board (<http://www.th.gov.bc.ca/ptb/>); and
- Passenger Transportation Branch.

5. Executive and Support Services

This business area supports all ministry programs through such core functions as service planning, reporting and performance measurement; human resources; information systems; and financial and administrative services.

Crown Corporations

The Minister of Transportation is responsible for the following Crown corporations:

BC Transportation Financing Authority

The BC Transportation Financing Authority (BCTFA) is a provincial Crown corporation continued under the *Transportation Act*. It owns provincial highways and provides for their rehabilitation and expansion through dedicated fuel taxes and other revenues. The BCTFA can also acquire, hold, construct, or improve other transportation infrastructure throughout British Columbia.

BC Transit (<http://www.bctransit.com>)

Rapid Transit Project 2000 (<http://www.rapidtransit.bc.ca>)

British Columbia Railway Company (<http://www.bcrproperties.com/bcrco/index.html>)

BC Transit and the British Columbia Railway Company have their own service plans.

Resource Summary

Ministry of Transportation

Core Businesses	2005/06 Restated Estimates ¹	2006/07 Estimates	2007/08 Plan	2008/09 Plan
Operating Expenses (\$000)				
Transportation Improvements ²	17,993	18,702	18,701	18,701
Public Transportation ³	359,292	361,880	360,099	357,319
Highway Operations	437,415	444,122	445,913	445,913
Passenger Transportation Regulation	2,244	2,314	2,314	2,314
Executive and Support Services	12,147	12,440	12,437	12,437
Total	829,091	839,458	839,464	840,684
Full-time Equivalents (Direct FTEs)				
Transportation Improvements	286	317	317	317
Highway Operations	932	963	963	963
Passenger Transportation Regulation	22	22	22	22
Executive and Support Services	83	83	83	83
Total	1,323	1,385	1,385	1,385
Ministry Capital Expenditures (Consolidated Revenue Fund) (\$000)				
Transportation Improvements	1,255	1,241	1,086	1,119
Highway Operations	17,163	8,045	7,593	6,853
Passenger Transportation Regulation	183	254	254	254
Executive and Support Services	398	39	299	429
Total	18,999	9,579	9,232	8,655
Other Financing Transactions (\$000)				
Receipts	—	—	—	—
Disbursements — Public Transportation ⁴	24,800	12,747	5,985	14,113
Net Cash Source (Requirement)	(24,800)	(12,747)	(5,985)	(14,113)

Ministry of Transportation

Core Businesses	2005/06 Restated Estimates ¹	2006/07 Estimates	2007/08 Plan	2008/09 Plan
Revenue (\$000)				
Total Receipts ⁵	114,406	96,024	98,321	100,480

¹ These amounts have been restated, for comparative purposes only, to be consistent with Schedule A of the 2006/07 *Estimates*.

² Transportation Improvements: Operating Expenses are reported net of funding from external sources, primarily the BC Transportation Financing Authority (see next page).

³ Public Transportation: Operating Expenses include government transfers to British Columbia Transit, service fees to British Columbia Ferry Services Inc., as well as amortization and debt servicing costs for prepaid capital advances to British Columbia Transit and Rapid Transit Project 2000.

⁴ Other Financing Transactions: Disbursements — Public Transportation includes prepaid capital advances to British Columbia Transit for buses, and to Rapid Transit Project 2000 for construction of the Millennium SkyTrain Line (completed in 2005/06).

⁵ The majority of the ministry's revenue comes from Coquihalla Tolls (approximately \$53 million annually) and the federal contribution to coastal ferry service (approximately \$26 million annually).

BC Transportation Financing Authority — Income Statement

	2005/06 Forecast ¹	2006/07 Budget	2007/08 Plan	2008/09 Plan
Revenue (\$000)				
Dedicated taxes ²	425,200	439,700	453,000	466,600
Amortization of deferred contributions ³	165,270	155,282	145,456	136,754
Other revenue ⁴	26,228	26,028	25,028	26,028
Total	616,698	621,010	623,484	629,382
Expenditures (\$000)				
Amortization	313,002	317,198	324,990	331,803
Interest ⁵	135,619	157,192	192,849	234,885
Heartlands roads program ⁶	35,000	35,000	35,000	25,000
Grant programs ⁷	94,012	25,774	129,592	10,000
Operations and administration	28,625	31,508	34,953	41,660
Total	606,258	566,672	717,384	643,348
Net Income (Loss) (\$000)				
Net Earnings (Loss)	10,440	54,338	(93,900)	(13,966)
Capital Plan (\$000)⁸				
Transportation Improvements	647,673	725,326	648,980	681,858

¹ These amounts have been restated to be consistent with the classification of revenue and expenditures adopted for the 2006/07 and subsequent years' budgets.

² Dedicated taxes include 6.75 cents per litre motor fuel tax and a provincial sales tax on short-term car rentals of \$1.50 per day.

³ Contributions towards capital assets are deferred and amortized to income at the same rate as the related highway infrastructure is amortized to expense.

⁴ Other revenue includes property and economic development revenues.

⁵ Interest on borrowing used to finance construction work in progress is capitalized. Upon completion, related interest costs are expensed.

⁶ Improvements to Heartlands roads are included in capital expenditures; repairs to Heartlands roads are expensed. Total Heartlands roads program is \$75 million per year to the end of 2007/08, then \$55 million for 2008/09.

⁷ Grant programs include grants paid under the Transportation Partnerships Program for ports and airports, the provincial contribution to the Canada Line rapid transit project, and other projects.

⁸ Capital Plan numbers are net of federal funding.

Major Capital Projects

Kicking Horse Canyon

Objective: Upgrade the 25-kilometre section of the Trans-Canada Highway to a modern, four-lane standard from the junction of Highway 95 at Golden to the western boundary of Yoho National Park.

The Kicking Horse Canyon project has three phases, of which only the first two are funded and underway. The third phase can proceed when federal cost-sharing is secured.



Pouring of retaining wall on the cantilever structure between Yoho Bridge and the Rafters Pullout

Costs: The estimated cost is \$191 million for the first two phases.

- **Phase I — Yoho (5-Mile) Bridge (estimated cost is \$61 million):** The cost of this work is being shared with the Government of Canada under the Strategic Highway Infrastructure Program (SHIP). The federal portion is \$23 million and the provincial portion is \$38 million. Construction is on schedule and expected to be complete by fall 2006.
- **Phase II — Park (10-Mile) Bridge (preliminary estimate \$130 million):** The cost of this work is being shared with the Government of Canada under the Canadian Strategic Infrastructure Fund (CSIF). The federal portion is \$62.5 million. Design and construction began in fall 2005 under a public-private-partnership model. Trans-Park Highway Group was selected to design, build, finance and operate the section of the Trans-Canada Highway between Golden and Yoho National Park.

Benefits:

- Safer roads and increased capacity on a critical provincial and national gateway;
- Fewer road closures due to slides and traffic incidents;
- Replacement of two major structures that are nearing the end of their service lives; and
- Increased tourism and more efficient movement of goods and services.

Risks:

- Challenging climatic and geographic conditions; and
- Managing traffic during construction.

William R. Bennett Bridge

Objective: Construct a new five-lane bridge to replace the existing 47 year-old Okanagan Lake Bridge, which is now at the end of its useful life. SNC-Lavalin will design, build, finance and operate the new bridge and related improvements to the highway approaches.

Costs: The bridge and east approach improvements are estimated to cost \$144 million.

Benefits:

- Safer crossing and connecting roads;
- Travel time savings due to relieved congestion;
- Increased tourism and more efficient movement of goods and services;
- Replacement of an aging structure which is becoming increasingly expensive to maintain; and
- Expected private partnership savings of \$25 million over the 30 year life of the agreement with SNC-Lavalin.

Risks: Engineering and construction challenges, which are substantially transferred to the private sector through the public-private partnership.

Sea-to-Sky Highway

Objective: Implement extensive improvements to the existing highway between Horseshoe Bay and Whistler to improve safety, reliability and mobility. The improvements will make travel along the corridor safer for residents, commuters, tourists and businesses moving goods. S2S Transportation Group was selected to design, build, finance and operate the improved Sea-to-Sky Highway.

Costs: The total capital budget for the project is \$600 million (\$2002).

Benefits:

- A safer road;
- Increased capacity;
- Reduced vehicle operating costs;
- Fewer road closures due to slides and traffic incidents;
- First Nations' participation and opportunities; and
- Additional benefits resulting from private partnerships, such as:
 - 20 kilometres of additional passing lanes;
 - 16 kilometres of additional median barrier;
 - Additional highly reflective pavement markings to enhance safety;
 - 30 kilometres of additional shoulder and centre-line rumble strips where most effective;
 - Improved lighting and roadside reflectors for additional safety; and
 - Improved highway maintenance in response to weather conditions (three road/weather information sites).

Risks:

- Difficult terrain and unstable areas that the highway crosses;
- The need to keep a large volume of traffic flowing while carrying out the improvements;
- The need to address municipal, community and environmental issues; and
- The unalterable schedule for completing the job in order to support the 2010 Olympic and Paralympic Winter Games.



Construction north of Horseshoe Bay

Pitt River Bridge and Mary Hill Bypass/Lougheed Highway Interchange

Objective: Construct a new high level six-lane bridge to replace the existing Pitt River low level bridges connecting Pitt Meadows to Port Coquitlam. Construct a new interchange at the west end of the new bridge.

Costs: The bridge and interchange project is estimated to cost \$180 million. The federal government has announced a contribution of up to \$90 million for the project.

Benefits:

- Elimination of traffic congestion, delays, and capacity limitations during peak travel periods;
- Accommodation of future traffic demands stemming from regional growth, development of Dominion Triangle and Burke Mountain, and TransLink's new Golden Ears Bridge;
- Increased road safety through greater traffic separation;
- Reduced interference with marine traffic; and
- Improved marine habitat through a reduction in the number of bridge piers in the river, allowing for restoration of riparian habitat.

Risks:

- The need to keep a large volume of traffic moving during construction;
- Shortages of skilled labour and increasing world prices for construction materials, and the impact of these on the cost of construction;
- The potential need to add a seventh bridge lane to accommodate east-bound truck traffic; and
- Finalizing of the contribution agreement with the federal government.

Nisga'a Highway

Objective: Upgrade the Nisga'a Highway from a gravel resource road to an all-weather, two lane highway. The contractor will complete the project in late spring 2006.

Costs: The estimated total cost for the seven-year program is \$52 million.

Benefits: Better access to British Columbia communities.

Risks: Few risks remain as the final construction is straightforward gravel and paving work.

Transportation Investment Plan

Provincial Investments (\$millions)	2006/07 Plan	2007/08 Plan	2008/09 Plan	Total
Rehabilitation	146	146	146	438
Interior and rural side roads	75	75	55	205
Heartlands oil and gas road rehabilitation	42	42	42	126
Mountain Pine Beetle Strategy	30	30	30	90
Highway 1 – Kicking Horse Canyon	46	16	5	67
Sea-to-Sky highway	121	138	137	396
William R. Bennett Bridge and east approach	54	45	16	115
Border crossing infrastructure	27	15	1	43
Gateway Program	93	71	155	319
Okanagan Valley corridor	11	11	33	55
Cariboo connector program	15	31	20	66
Other highway corridors and programs ...	118	82	83	283
Airports and ports	26	12	10	48
Canada Line Rapid Transit Project	0	118	0	118
Total provincial investment	804	832	733	2,369

The multi-year Transportation Investment Plan for British Columbia was announced in February 2003. Excluding the major capital projects already discussed in the previous section, other key components of the plan include:

- **Highway Rehabilitation** — Investing \$438 million over three years (2006/07 through 2008/09) in road and bridge surfacing, bridge rehabilitation, seismic retrofits and highway safety improvements.
- **Heartlands Roads** — Making Heartlands roads safer and more reliable, and improving connections between communities. The ministry is investing \$205 million from 2006/07 through 2008/09 to renew the northern and rural road network.
- **Heartlands Oil and Gas Road Rehabilitation Strategy** — Rehabilitating the existing public road infrastructure in the Northeast region of the province to help eliminate seasonal road restrictions and extend the winter drilling season for oil and gas exploration, thereby attracting new investment and creating jobs. This rehabilitation is being done in partnership with the Ministry of Energy, Mines and Petroleum Resources.

- **Mountain Pine Beetle Strategy** — Maintaining and rehabilitating the road and highway network to mitigate impacts the catastrophic Mountain Pine Beetle (MPB) outbreak is having on the provincial road system. The ministry is investing \$90 million over three years to ensure that MPB-attacked wood can be economically transported in an efficient and safe manner and help ensure that the goals and objectives of the Provincial MPB Action Plan are met.
- **Border Crossing Program** — Enhancing the free flow of goods approaching and through British Columbia's busiest border crossings. Approximately \$252 million will be committed to infrastructure and technology improvements. British Columbia and provincial partners will provide \$150 million, with \$102 million from the federal government's Strategic Highway Infrastructure Program and Border Infrastructure Fund. The net provincial expenditures over the next three years are projected to be \$43 million.
- **Gateway Program** — Developing a proposed program of road and bridge improvements along and across the Fraser River to address congestion and improve the movement of goods, people and transit throughout Greater Vancouver. The program represents an investment of about \$3 billion over 10 years. Proposed projects include:
 - South Fraser Perimeter Road, a primarily new east-west route along the south side of the Fraser River;
 - North Fraser Perimeter Road, a set of improvements to existing roads from Coquitlam to Maple Ridge, including the Pitt River Bridge project; and
 - Port Mann Bridge/Highway 1, which involves twinning the Port Mann Bridge, upgrading interchanges, and improving access and safety along Highway 1 from Vancouver to Langley.
- **Okanagan Corridor Improvements** — In addition to replacing the Okanagan Lake Bridge with the new William R. Bennett Bridge, supporting trade and tourism by projects that will reduce congestion, including four-laning Highway 97 between Summerland and Peachland, upgrading highways 97 and 33 within Kelowna, four-laning Highway 97A north of Vernon to Armstrong and upgrading key intersections with the Trans-Canada Highway.
- **Cariboo Connector** — Widening the 460-kilometre portion of Highway 97 from Cache Creek to Prince George to increase safety and decrease travelling times while providing northern communities with a first-class trade corridor that meets the needs of a rapidly expanding economy. Phase 1 of the program will include approximately \$200 million in projects initiated over a five-year timeframe.
- **Other Highway Corridors and Programs** — Improving the performance of highway corridors through projects such as passing lanes, four-laning, left turn slots, realignments and safety upgrades. Projected investment from 2006/07 to 2008/09 is approximately \$283 million.
- **Transportation Partnerships Program** — Helping communities and regions realize economic growth through contributions to strategic British Columbia port and airport developments. To boost tourism and create new jobs and economic development

opportunities, the Program is partnering with others to expand airports and to build a new container handling facility at the port of Prince Rupert, the closest port in the Americas to the rapidly growing Asia-Pacific market. The Ministry is reserving \$48 million over the next three years for this Program. A portion of this program funding is also directed to cost-sharing on the development of community bicycle networks, helping to make cycling a safe and attractive alternative transportation option for commuters.

- **Canada Line** — The Canada Line project is a jointly funded (British Columbia government, Vancouver International Airport, federal government and the Greater Vancouver Transportation Authority (GVTA)) rail-based rapid transit line that will link central Richmond, Vancouver International Airport and Vancouver's downtown business district. The project is being delivered by the GVTA through its subsidiary RAVCO. The province is committed to make \$435 million in contributions.

Goals, Objectives, Strategies and Results

The provincial government has established Five Great Goals for a Golden Decade in British Columbia. The ministry's goals support these five goals, particularly the goal of creating more jobs per capita than anywhere else in Canada, as transportation is crucial to trade and growth.

This section describes the ministry's overall goals, the supporting objectives that should be met along the way, the major strategies the ministry will use, and targets against which performance will be measured. Ministry staff and the public will be able to gauge how well these strategies are working over the next three years by comparing the performance targets below with the actual measured results that will appear in future annual service plan reports.

Overview

The Ministry's Goals

In order to further the provincial government's Five Great Goals, the ministry has the following goals:

1. Key transportation infrastructure is improved to drive economic growth and trade.
2. British Columbia is provided with a safe and reliable highway system.
3. British Columbia's transportation industries become more competitive.
4. Excellent customer service is achieved.

The Province's Five Great Goals for a Golden Decade

The ministry supports the provincial government's Five Great Goals in the following ways.

Create more jobs per capita than anywhere else in Canada.

- A \$2 billion investment in transportation improvements over the next three years will capture greater opportunities in trade, tourism and resources.
- Major infrastructure projects, such as the Kicking Horse Canyon Project, the William R. Bennett Bridge and the Sea-to-Sky Highway Improvement Project, will stimulate economic development and job creation by allowing more efficient movement of goods and people and increased tourism.
- Public-private partnerships provide economic benefits to British Columbia through private sector innovation and timely investment.

- Expanded Pacific Gateway infrastructure and stronger relationships with rapidly-growing economies in Asia will realize trade, tourism and cultural benefits.

Lead the world in sustainable environmental management, with the best air and water quality, and the best fisheries management, bar none.

- Ministry transportation strategies aim to encourage the use of public transit, reduce traffic congestion and find ways to move goods and people more efficiently.
- Vigorous environmental reviews are performed on all infrastructure projects.
- Annual investments of \$2 million protect and enhance wildlife and fish habitats linked to highway projects.
- Ministry vehicles use environmentally friendly fuels wherever possible and practical. Currently over two thirds of the ministry's fleet of approximately 372 light vehicles utilize alternate fuels, which are less damaging to the environment. This percentage is expected to increase as older vehicles are replaced.

Lead the way in North America in healthy living and physical fitness.

- Transportation network improvements make it easier to access health care.
- Investments in highway safety reduce the number and severity of crashes, thereby reducing demand on health care services.
- Investments in community cycling networks encourage physical fitness.
- Designers of all highway improvement projects explore opportunities for cycling and pedestrian access.

Make British Columbia the best-educated, most literate jurisdiction on the continent.

- Transportation investments and financial contributions to public transit and ferries support access to schools and other educational facilities.

Build the best system of support in Canada for persons with disabilities, those with special needs, children at risk and seniors.

- Transportation network improvements provide better access to support services for these British Columbians.
- Annual transfers to BC Transit help support transportation services for the disabled and seniors, such as HandyDART and Paratransit.
- Subsidized fares on BC Ferries for the disabled and seniors make it easier to access services in other communities.

Cross Ministry Initiatives

The provincial government has announced a number of important initiatives for which success will depend on the work of more than one ministry. Below are the Ministry of Transportation's plans for supporting these cross ministry initiatives.

Asia-Pacific Initiative. *Increase economic growth opportunities across British Columbia by maximizing British Columbia's strategic advantage as Canada's Asia-Pacific gateway.*

- In cooperation with the federal government and industry stakeholders, develop an implementation plan for the Pacific Gateway Strategy (Infrastructure, Transportation and Border Management Action Plan), which is anticipated by spring 2006.
- Secure federal cost-sharing arrangements for key infrastructure projects to accommodate growth and improve the efficiency of British Columbia's land-based and inter-modal links, such as Pitt River Bridge, Lower Mainland railway grade separations, and South Fraser Perimeter Road.
- Construct provincial infrastructure in support of the Pacific Gateway Strategy.
- Participate with all relevant parties in the development and implementation of public policy reforms in support of the Pacific Gateway Strategy (e.g., international air service agreements, *Canada Marine Act* amendments and land use reserves).
- Develop and implement measures to bring stability to the short-haul container trucking industry serving Lower Mainland ports.

2010 Olympic and Paralympic Winter Games. *Showcase the province on a global basis, celebrate provincial accomplishments and create lasting economic opportunities for British Columbia.*

- Upgrade the Sea-to-Sky Highway from Horseshoe Bay to Whistler for the 2010 Olympic and Paralympic Winter Games. Improvements include four lanes from Horseshoe Bay to M Creek; four, three and two lanes (with a temporary third lane during the Olympics) from M Creek to Murrin Park; four lanes from Murrin Park to Depot Road north of Squamish; and three lanes from Depot Road to Function Junction, at the south end of Whistler.
- Construct a new two-lane road through the Callaghan Valley to provide access to the Nordic Centre for the 2010 Olympic and Paralympic Winter Games.
- Develop plans to facilitate transportation needs during the 2010 Olympic and Paralympic Winter Games.

First Nations. *Implement the New Relationship commitment of government.*

- Resolve outstanding road tenure issues through reserves.
- Identify partnership opportunities between First Nations, and support and implement consultation and accommodation agreements.
- Review policy and operational procedures to ensure First Nations' issues are identified and addressed.

Mountain Pine Beetle. *Mitigate the impacts of B.C.'s mountain pine beetle attack on the forest resource, while recovering the greatest value and maintaining and protecting public health, safety and infrastructure.*

- Ensure the provincial highway infrastructure supports the increased hauling of mountain pine beetle-attacked wood by:
 - developing a long-term highway rehabilitation strategy to adequately respond to the increased truck traffic;
 - minimizing the loss or destructive effects to the highway infrastructure through timely rehabilitation and upgrades; and
 - working with other ministries to plan and budget for the necessary upgrades.

Regulatory Reform. *Ensure provincial regulations are citizen-centered, efficient and effective.*

- Look for opportunities to continue streamlining. Current activities include:
 - an ongoing program to find business process improvements; and
 - a program to streamline the existing policies and regulations that support passenger transportation licensing (taxis and scheduled buses) or the Commercial Vehicle Safety and Enforcement unit.

ActNow BC. *Motivate British Columbians to improve their health by reducing tobacco use, eating nutritious foods, being more physically active, and making healthy choices during pregnancy.*

- Develop partnerships to assist with meeting ActNow BC goals and objectives. The cycling Infrastructure Partnerships Program (CIPP) is a 50/50 cost-share program to help local government enhance the attractiveness of cycling as a commuting option through the construction of bike lane networks.
- Promote active transportation to and from the workplace with Bike to Work Week.

Performance Plan

Across the provincial government, ministry service plans now focus on the main outcomes that interest and affect the public, in order to make the plans more relevant and easier to read. Key measures of safety, effectiveness and customer service all remain and are carefully tracked.

Goal 1: *Key transportation infrastructure is improved to drive economic growth and trade.*

Core Business Area: *Transportation Improvements.*

Objective 1: *Available provincial investment dollars are used as effectively as possible.*

Strategies:

- Complete projects on budget and on time;
- Develop public-private partnerships in consultation with Partnerships BC, where appropriate;
- Capture value from surplus land to fund transportation improvements; and
- Secure federal funding for transportation projects in British Columbia.

Performance Measures	Baseline	2006/07 Target	2007/08 Target	2008/09 Target
The percentage of projects that meet their budget and schedule.	90%	90.5%	91%	91.5%
Private investment capital leveraged through public-private partnerships, plus defrayed or reduced costs from efficient land use.	\$56.6 M	\$104.1 M	\$153.3 M	\$247 M
Federal funding investment leveraged (capital).	\$61 M	\$70 M	\$99 M	\$96 M

The percentage of projects completed on budget and the percentage completed on time are averaged. While most projects finish on budget and on schedule, project scope changes and other unforeseen problems could negatively impact results.

Private investment capital leveraged measures three items:

- contributions from non-provincial partners (municipalities, Crown corporations, First Nations and the private sector) at the time of infrastructure construction;
- surplus land which is sold and the proceeds used to finance improvements; and
- the financing of improvements by the private sector under design-build-finance-operate arrangements.

Federal funding investment leveraged refers to the amount of federal funding secured through British Columbia/Canada contribution agreements. The amount of funding from the federal government will assist in B.C.'s ability to achieve longer term sustainable financing for transportation improvements. The ministry's ability to leverage federal funding

is dependent on B.C. government decisions with respect to the availability of matching provincial funding, and federal funding allocation and prioritization practices.

Objective 2: Improved mobility for highways servicing major economic gateways.

Strategies:

- Improve mobility and reliability and reduce bottlenecks on major urban and rural trade corridors using partnership cost-sharing where feasible;
- Reduce congestion at weigh scales by relocating and/or redesigning them, and by using intelligent transportation systems (ITS) to process truck traffic more efficiently; and
- Reduce congestion at Canada/USA border crossings through the use of ITS initiatives.

Performance Measure	Baseline	2006/07 Target	2007/08 Target	2008/09 Target
Commercial trucking travel speed between economic gateways.	71 km/h	71 km/h	71 km/h	71 km/h

Satellite tracking technology records the travel time of 1,500 long-haul trucks whenever they travel on one of 36 selected highway segments connected to economic gateways. This data is used to estimate the average speed of commercial trucks.

Steady targets are reasonable, because growing traffic volumes will increase trucking delays, while capital and other improvements will reduce them.

Goal 2: British Columbia is provided with a safe and reliable highway system.

Core Business Area: Highway Operations.

Objective 1: Contractors maintain the provincial highway system to a high standard.

Strategy:

- Fully implement and review the Contractor Assessment Program, a new procedure for administering the road and bridge maintenance contracts and assessing how well the contractors are delivering their services.

Performance Measure	Baseline	2006/07 Target	2007/08 Target	2008/09 Target
Rating of the maintenance contractors' performance using Contractor Assessment Program.	91%	91.5%	92%	92.5%

Ratings measure whether the contractors exceed contract requirements based on the results of local and regional assessments and road user satisfaction ratings. Contractors that exceed basic requirements are entitled to a bonus. A rating between 85 – 90 per cent warrants a 1 per cent bonus; between 90 – 95 per cent warrants a 1.5 per cent bonus and above 95 per cent warrants a 2 per cent bonus.



Snow removal on the Trans Canada Highway (McLahat)

Objective 2: *The main highway system is rehabilitated on a lowest life-cycle cost basis.*

Strategies:

- Maintain the current condition of the main highway system (roads and structures) and mitigate the onset of deterioration in ways that provide the “least cost over the life-cycle” of the infrastructure; and
- Systematically assess the condition of the main highways to determine which needs should take priority in the annual resurfacing and structure rehabilitation and replacement programs.

Performance Measure	Baseline	2006/07 Target	2007/08 Target	2008/09 Target
Main Highway Condition: • Lane kilometres of main highway rehabilitated each year.	1,800	1,800	1,800	1,800

The above quantities apply to works on the main highway system only (all numbered highways).

This performance measure tracks the lane kilometres of highway rehabilitated during each fiscal year. Such activities include: first time hard surface paving or sealcoating; and resurfacing of existing paved surfaces by such means as overlay, hot-in-place recycling, mill and fill; and surface sealing. The target number of kilometres is constant because it corresponds to the optimal rate of repair to maintain the overall condition of the main highway system.

The lane kilometres of roads that are rehabilitated will be measured in the field during program delivery.

Objective 3: Improved road access for resource industries and rural residents.

Strategies:

- Strategically invest in roadway rehabilitation and improvements, on the provincial side road system as follows:
 - Heartland Roads Program — \$75 million per annum for 2006/07 and 2007/08; \$55 million in 2008/09.
 - Heartlands Oil and Gas Road Rehabilitation Strategy (HOGRRS) — \$42 million per annum for 2006/07 to 2008/09.
 - Support British Columbia's Mountain Pine Beetle Action Plan, through the strategic investment of \$30 million per annum for three years, commencing in 2006/07.

Performance Measure	Lane kilometres improved since program inception	2006/07 Cumulative Target	2007/08 Cumulative Target	2008/09 Cumulative Target
Cumulative lane kilometres improved or to be improved under the above programs.	3,203	4,100	4,900	5,500

The above quantities apply to the side road system only (all non-numbered highways). The Mountain Pine Beetle funding will be invested on both the main highway system (numbered routes) and on the side road system.

This performance measure tracks the cumulative lane kilometres improved during each fiscal year starting from the commencement of the program. The quantities will include various treatments such as drainage improvements, base reconstruction and strengthening, gravelling, first time hard surfacing or resurfacing.

The lane kilometres of roads that are improved will be measured in the field during program delivery.

Objective 4: Improved highway safety and reliability.

Strategies:

- Monitor highway safety and improve high-risk locations, in consultation with Regional Transportation Advisory Committees;
- Maximize highway safety and reliability through both safety-focused enhancements and low-cost improvements, such as signs, lighting and lane markings; and
- Work with safety partners such as ICBC, the RCMP and the Ministry of Public Safety and Solicitor General to develop a safety plan to achieve the targets established in the Canada-wide Road Safety Vision 2010.

Performance Measure	Baseline	2006/07 Target	2007/08 Target	2008/09 Target
Crash reduction after construction on safety improvement capital projects.	725 crashes	100 crash reduction from baseline	150 crash reduction from baseline	200 crash reduction from baseline

The crash data is gathered by the RCMP as part of its on-site accident investigation.

A comparison between baseline measures prior to capital improvements and measured results after safety improvements is completed. A minimum of three years (preferably five years) of crash data are required after the completion of a project in order to determine a trend as to how well the project has improved safety. For adequacy of statistical analysis, a sampling of 21 projects across the province was used. Data on the safety performance of these projects will be aggregated and reported on an annual basis.

Objective 5: Effective road safety enforcement, education and programs for the commercial transport industry.

Strategies:

- Establish and enforce standards that govern British Columbia's commercial transport industry;
- Improve commercial transport safety regulations;
- Work with other jurisdictions to coordinate and harmonize commercial transport and vehicle safety standards; and
- Introduce systems improvements to enhance the quality and timeliness of commercial vehicle safety data for law enforcement.

Performance Measure	Baseline	2006/07 Target	2007/08 Target	2008/09 Target
Variation from national average in out-of-service rate for commercial vehicles.	+/- 2% of national average	+/- 2% of national average	+/- 2% of national average	+/- 2% of national average

The out-of-service (OOS) rate is the percentage of commercial vehicles randomly inspected at "Roadcheck" stops that are taken out of service for having serious safety violations. The OOS criteria are interpreted consistently by all jurisdictions. The ministry monitors the variations from the national average in the OOS rate to assess the impacts of road safety programs and the industry's level of compliance with maintenance standards. For 2005, the national average is 18.5 per cent and the British Columbia average is 18.6 per cent.

Goal 3: *British Columbia's transportation industries become more competitive.*

Core Business Area: *Transportation Improvements.*

Objective: *Building on the British Columbia Ports Strategy as part of a Pacific Gateway Strategy.*

Strategies:

- Ensure British Columbia's ports and airports are gateways for economic growth and development by providing a long-term plan; and
- Work closely with other levels of government and stakeholders where responsibilities may overlap.

Performance Measure	Baseline	2006/07 Target	2007/08 Target	2008/09 Target
Growth in container volume handled at west coast ports in TEUs (twenty-foot equivalent units).	2 million TEUs	3% growth	3% growth	10% growth

The annual rate of growth is expected to increase substantially once critical new or expanded infrastructure is in place. The infrastructure will begin coming online by 2008/09. At that time, the targets for future growth will be reviewed. International air passenger/cargo traffic at Vancouver International Airport will also be tracked.

Goal 4: *Excellent customer service is achieved.*

Core Business Areas: *All.*

Objective: *Excellent service is provided to all British Columbians.*

Strategies:

- Undertake annual surveys of customer satisfaction and compare survey results with baseline data to ensure customer needs are met;
- Use survey results and public feedback to improve customer service processes and procedures; and
- Conduct focus group sessions with individual stakeholder groups to identify potential gaps in service delivery, and determine how to refine ways of doing business in order to better meet customer needs.

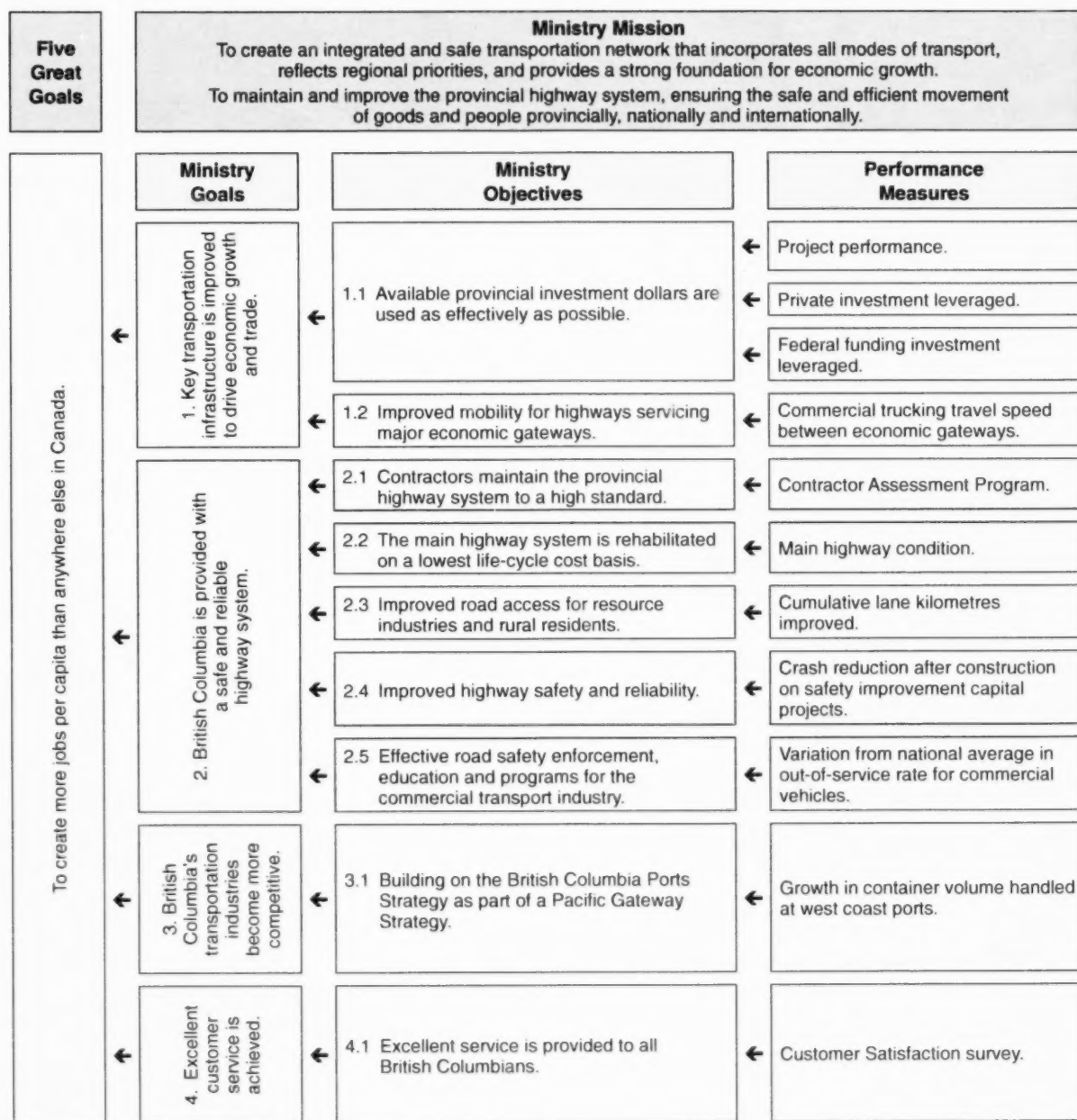
Performance Measure	Baseline	2006/07 Target	2007/08 Target	2008/09 Target
Customer Satisfaction Survey: Highway users' satisfaction with existing ministry services and delivery processes, rated on a scale of 1 to 10.	7.5	8.0	8.0	8.25

Ministry staff conducted 2,758 surveys throughout the province in 2005. The targets reflect a weighted average of stakeholder and highway user satisfaction with several types of ministry services.

Recent survey results suggest the ministry is succeeding in its efforts to improve service quality. The ministry is targeting areas that indicate a higher need for improvement.

Performance Plan Summary

The diagram below displays the linkages between the Five Great Goals and the ministry's mission, goals, objectives and performance measures.



Related Initiatives and Planning Processes

Deregulation and Regulatory Reform

Since 2001, the Ministry of Transportation has cut red tape dramatically, reducing its regulatory requirements by over one-third. The ministry will support Government's Regulatory Reform initiatives by committing to controlling regulatory burden and improving regulatory quality by:

- Identifying at least one regulatory reform opportunity that will shift the ministry's regulations to be more citizen-centred, cost-effective, results-based, and responsive to our clients by reducing and/or streamlining the steps or business processes involved in complying with ministry regulations; and
- Adhering to the regulatory criteria set out in the Regulatory Reform Policy, and targeting a zero per cent net increase in regulation through 2008/09.

The ministry will also conduct annual reviews to look for opportunities to continue streamlining.

Information Resource Management Plan Overview

Information Management/Information Technology (IM/IT) tools help ministry staff plan, build, operate and maintain provincial transportation infrastructure.

The ministry conforms to government IM/IT standards and policies and is working to share data across multiple business applications.

Upcoming Major Projects

The ministry is focusing on delivering services electronically where practical, and it continues to enhance information security. Key projects include:

- The Road Inventory and Maintenance System, a database of road features, which helps in the administration of maintenance contracts;
- The Collision Information System, used to evaluate highway crashes to inform safety improvements to the highway network;
- The Development Approvals System, which supports the processes to review, vet and approve subdivision approval and permitting applications in rural areas outside municipal boundaries;
- Drive BC!, which uses Internet technology to collect and distribute road conditions, incidents and related weather condition information to highway users; and

- The redevelopment of the Commercial Transportation Management System, which issues permits for oversize commercial goods transportation across the province; and the Weigh-in-Motion project, which uses automated truck scales to improve the tracking of carriers.

Citizen-Centred Service Delivery

The Ministry of Transportation serves the people and businesses of British Columbia by providing a safe and reliable transportation network. To ensure the ministry is meeting the needs of British Columbians, the following measures are in place:

Front Counter BC. This program, operated by the Integrated Land Management Bureau in an increasing number of regional centres, provides a single point of contact for natural resource businesses to get the information, permits and applications they need from all ministries at once. Services provided to ministry clients include subdivision approvals, permits to construct works on highway rights-of-way and road closures.

Extensive community consultation. Major ministry projects include significant consultation processes, which feature open houses, community meetings, newsletters, public information displays and advertisements in newspapers.

Contractor Assessment Program. Key stakeholders such as the RCMP, emergency response providers, major trucking firms and bus lines rate their level of satisfaction with road maintenance activities such as snow removal, mowing, patching and sign maintenance. The ministry works to resolve any concerns and takes past performance into consideration when tendering new contracts.

Annual surveys of customer satisfaction. The ministry uses annual survey results and public feedback to ensure British Columbians are satisfied with the ministry and to inform business process improvements.

